



Joint Financial Management Improvement Program



Annual Report Of FY 2003 Results and Future Plans

JFMIP



**Joint Financial Management
Improvement Program**

**Annual Report
Of FY 2003 Results
and Future Plans**



PRINCIPALS:

Joshua B. Bolten (Chair)
Director
Office of Management and Budget

David M. Walker
Comptroller General of the
United States

John W. Snow
Secretary of the Treasury

Kay Coles James
Director
Office of Personnel Management

STEERING COMMITTEE:

Joseph L. Kull (Chair)
Deputy Comptroller
Office of Management and Budget

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Managing Director,
Financial Management and Assurance
General Accounting Office

Robert N. Reid
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for Accounting Policy
Department of the Treasury

Clarence C. Crawford
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and Chief Financial Officer
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Kathleen M. Turco
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General Services Administration

Karen Cleary Alderman
Executive Director
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JFMIP PRINCIPALS



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CHAIR, JFMIP PRINCIPALS



DAVID M. WALKER
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SECRETARY OF THE TREASURY



KAY COLES JAMES
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JFMIP STEERING COMMITTEE



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CHAIR, JFMIP STEERING COMMITTEE



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CHIEF FINANCIAL OFFICER
U.S. OFFICE OF PERSONNEL MANAGEMENT



JEFFREY C. STEINHOFF
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KAREN CLEARY ALDERMAN
EXECUTIVE DIRECTOR
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KATHLEEN M. TURCO
CHIEF FINANCIAL OFFICER
GENERAL SERVICES ADMINISTRATION



MESSAGE FROM THE CHAIR OF THE JFMIP PRINCIPALS

As a Principal and current Chair, I am pleased to report continued strong leadership by the JFMIP Principals to address government-wide financial management issues and to help transform the way the federal government does business.

The JFMIP Principals have established an excellent working relationship, a basis for action, and a sense of urgency through which significant and meaningful progress can be achieved. In FY 2003, the Principals focused on initiatives for achieving government-wide financial management accountability and program performance goals. Those opportunities included:

- Expanding the vision of financial management success beyond financial reporting to promote the use of timely, accurate, and reliable information to support decision-making at all levels.
- Improving the government's processes to achieve accelerated reporting. Areas of focus included practices to overcome impediments such as accounting for and eliminating intragovernmental transactions, identifying critical elements of DoD financial reporting, reengineering the Department of the Treasury's closing package processes for consolidated reporting, and communicating audit planning and management practices necessary to support accelerated deadlines.
- Promoting greater transparency through support of revised accounting standards to more completely recognize and report the full range of government obligations, commitments, and liabilities.

In my current role as Chair of the JFMIP Principals, I look forward to working toward achievement of these important objectives.

Joshua B. Bolten

Director
Office of Management and Budget



Message from

THE EXECUTIVE DIRECTOR OF THE JFMIP

I am pleased to report on another highly successful year for the JFMIP—a year highlighted again by a high level of involvement and personal leadership of the JFMIP Principals. This report describes our progress and future plans for improving federal financial management by leveraging resources through cooperative and collaborative efforts among the JFMIP Steering Committee members and all federal agencies. In FY 2003, JFMIP's efforts and accomplishments included:

- The *Framework for Federal Financial Management Systems* exposure draft that describes and communicates financial management business drivers, information and data needs, applications and services, and technical architecture in the context of federal enterprise architecture. It provides the foundation for JFMIP Federal Financial Management System Requirements documents.
- System requirements documents for Revenue, and Inventory, Supplies and Materials System requirements, that communicate, on behalf of the entire federal community, standard mandatory financial management system requirements and desired value-added features.
- Information, education, and outreach through the JFMIP Annual Conference, JFMIP News, JFMIP website, executive forums on major issues of common concern, and developmental assignments. As an efficiency measure, JFMIP transitioned to all electronic information distribution in FY 2003.
- The *Federal Financial Management Work Force of the Future* study that identifies the major strategic financial management human capital challenges and recommends strategies and actions to address them.
- JFMIP Program Management Office's comprehensive, traceable to requirements, and transparent testing of core financial system vendor software for use by federal agencies. The 2003 test reduced agency cost and risk by establishing "entry criteria" to the federal market based on 2001 JFMIP core requirements to ensure software functionality meets federal needs and improves over time to address changes in federal functional requirements. The JFMIP testing and qualification process resulted in significant reductions in federal system customizations between 1999 and 2003.

I want to thank all of the dedicated professionals throughout the federal government who came together this year under the auspices of JFMIP to improve federal financial management and better serve the American public. I am proud of the progress made in FY 2003 and I look forward to continuing the momentum in FY 2004.

Karen Cleary Alderman

Executive Director



MISSION

JFMIP Mission: To improve financial management practices in the federal government through the joint and cooperative efforts of OMB, GAO, Treasury, OPM, and the federal agencies.

The mission of the Joint Financial Management Improvement Program (JFMIP) is to improve financial management practices in the government through the joint and cooperative efforts of the Office of Management and Budget (OMB), General Accounting Office (GAO), Department of the Treasury (Treasury), Office of Personnel Management (OPM), and the federal agencies. Since passage of the Chief Financial Officers (CFO) Act in 1990, JFMIP has worked collaboratively with the CFO Council, which represents the interests of the federal agencies.

Financial management systems that support federal accounting needs are one of the key pillars for achieving the improvement in financial management envisioned by the CFO Act. Enactment of the Federal Financial Management Improvement Act focused attention on the system structure needed to crystallize

this vision— implementation of federal accounting standards, compliance with uniform functional requirements for financial systems, and compliance with data requirements for transaction recording. JFMIP is working with its partners to bring about the changes needed to ensure that federal agencies have the tools for building financial systems that can deliver the complete, consistent, reliable, and timely financial information that is crucial to decision-making processes.

JFMIP coordinates the development and publication of functional requirements for financial management systems. In addition, a separate Program Management Office (PMO) is responsible for the testing and certification of commercial off-the-shelf (COTS) core financial system software for use by federal agencies. JFMIP also acts as a catalyst and clearinghouse for sharing and disseminating information about good financial management techniques and practices.



JFMIP ORGANIZATION

Leadership and program guidance for the JFMIP are provided through the joint efforts of the four Principals shown below.

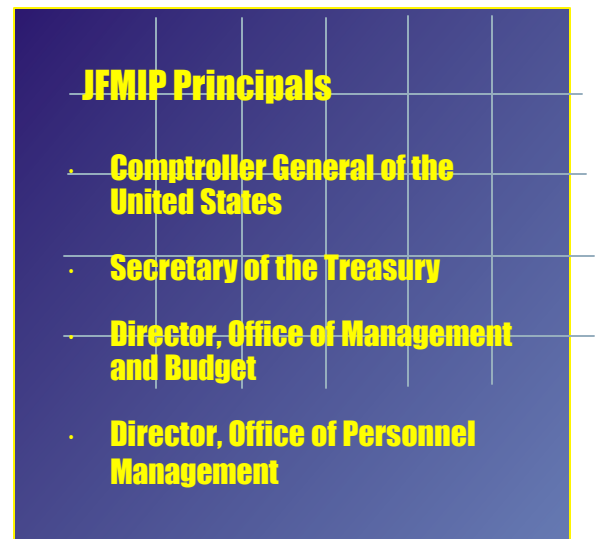
The JFMIP Steering Committee meets monthly to oversee JFMIP projects and activities. It consists of a representative designated by each Principal, the Executive Director of the JFMIP, and a representative of a program agency. GSA continues to serve as the program agency representative.

A small professional staff reports directly to the JFMIP Executive Director and carries out the day-to-day operational activities of JFMIP. The JFMIP staff publishes functional requirements documents for federal financial management systems, shares information on financial management practices, and undertakes directed studies and projects. Also, the Executive Director manages the PMO, established in 1999, using funds provided by CFO Council agencies. The PMO tests and certifies core financial management commercial software packages for use by federal agencies.

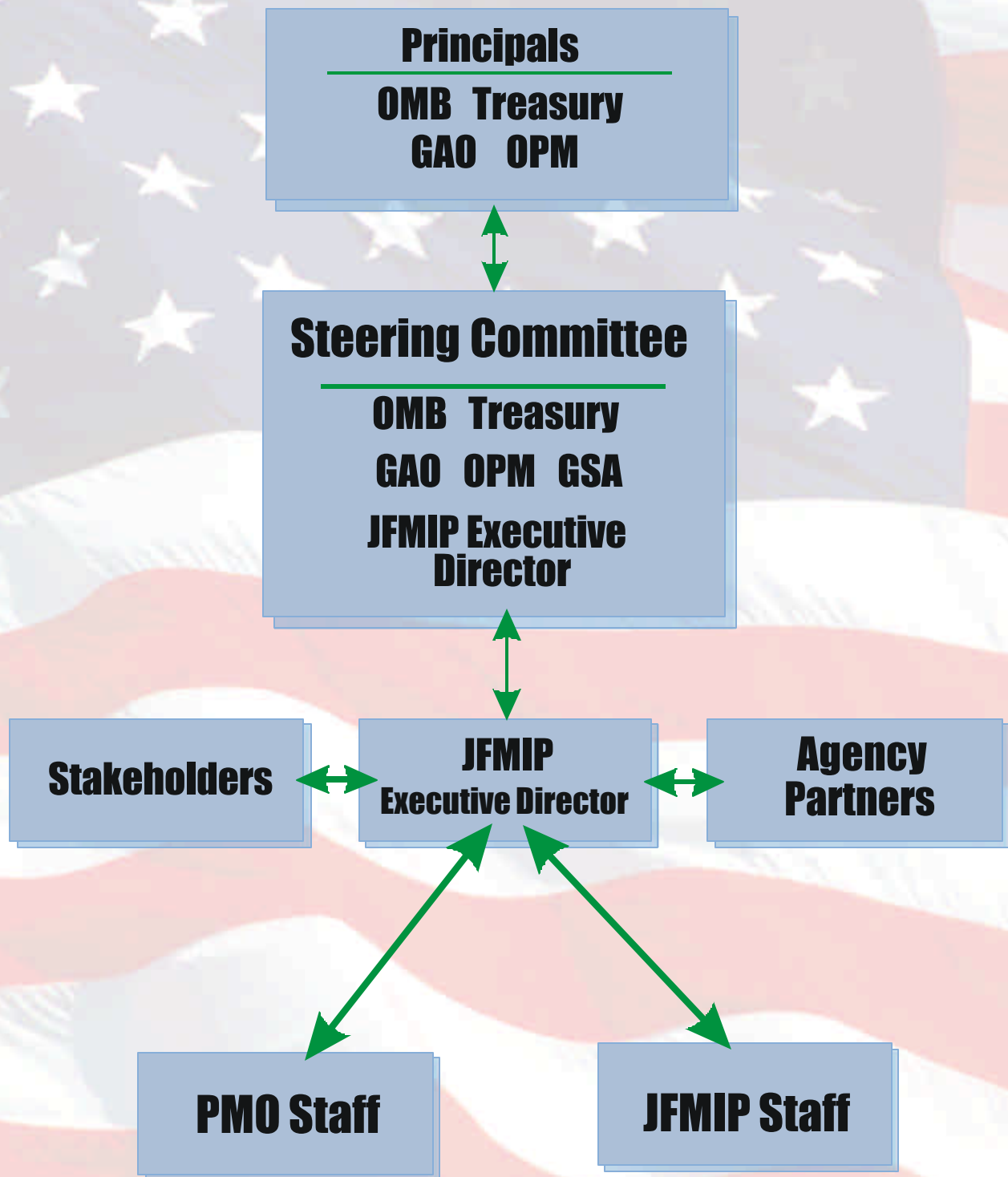
As part of its education and outreach, JFMIP provides developmental opportunities through rotational assignments for federal employees with an interest in improving the federal government's financial management systems and practices. These developmental assignments range from 30 days to a year.

The success of activities sponsored by JFMIP depends greatly upon partnerships with the federal financial management community, central policy organizations, and other federal program communities. As such, the quality and success of the JFMIP products reflect the talent and dedication of these agency and other representatives.

The following figure shows the JFMIP organization and working relationships among the JFMIP Principals, JFMIP Steering Committee, JFMIP staff, PMO staff, stakeholders, and agency partners.



JFMIP Organization and Working Relationships





ACCOMPLISHMENTS: FY 2003

FY 2003 was another successful year for JFMIP. The JFMIP Principals, Steering Committee, and staff worked in concert with federal policy and program agencies, the private sector, and other stakeholders to improve financial management in the government. Throughout the year, the JFMIP staff focused on several broad areas of interest:

- Financial system requirements
- Federal financial management human capital
- Information sharing and outreach
- Directed studies and projects
- PMO testing and qualification of core financial management system software.

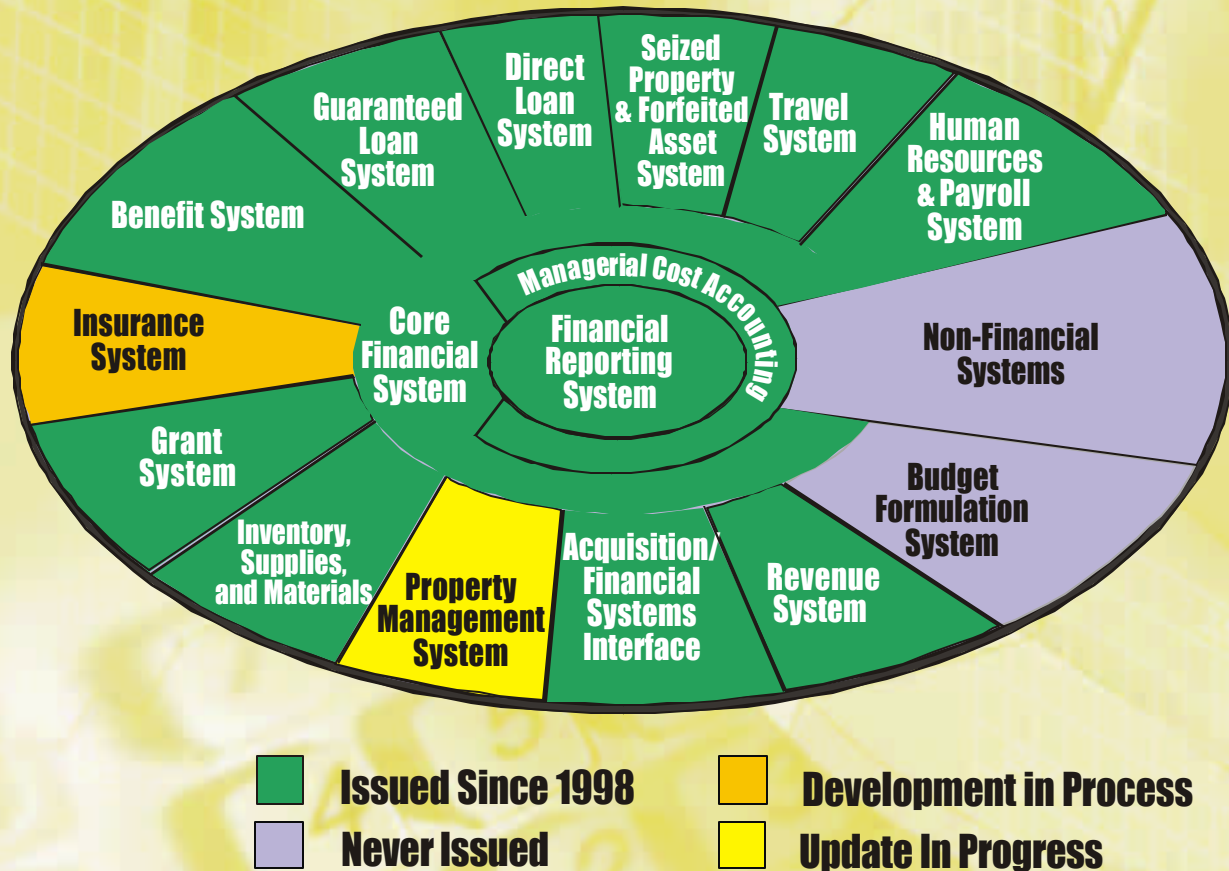
The staff's specific accomplishments within these areas are summarized below.

FINANCIAL SYSTEMS REQUIREMENTS

A key goal of JFMIP is to provide leadership to federal agencies and stakeholders in defining the functional requirements for federal financial management systems. The desired product of this effort is to provide articulated standard functional requirements for financial systems to the federal community and the vendors that support federal needs. The requirements documents, which are based on laws, regulations, and standards, are developed with the consensus of financial and program stakeholders. They are organized around services and financial event processes that support mission and program delivery needs. JFMIP requirements documents are a significant component of the Federal Enterprise Architecture in that they describe the federal financial applications and services environment that financial systems must be capable of supporting. By standardizing on a single set of high-order functional requirements, these documents allow the government to achieve cost savings against the approximately \$2.7 billion in the FY 2003 budget for financial management system development and operation. This figure provides the status of JFMIP requirements as of November 2003.

GOAL: Improve the quality of financial management systems by leading the federal government to develop or update financial systems requirements documents.

Financial Systems Requirements Documents Status - November 2003



The requirements documents developed in FY 2003 are described in the following sections.

FRAMEWORK FOR FEDERAL FINANCIAL MANAGEMENT SYSTEMS

Issuing the *Framework for Federal Financial Management Systems* exposure draft was a major JFMIP accomplishment in FY 2003. It describes and communicates the financial management business drivers, information and data needs, applications and services, and technical architecture in the context of federal enterprise architecture.



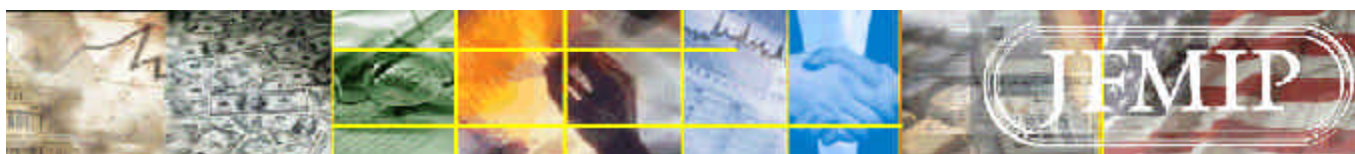
This document provides the foundation for all JFMIP federal system requirements documents. Updating a 1995 document, it aligns with the Federal Enterprise Architecture and serves as a foundation reference for agencies in their development of business system enterprise architectures.

The document is the product of a collaborative effort between the CFO and Chief Information Officer (CIO) communities under the leadership of John Gilligan, CIO, Department of the Air Force, and Chair of the CIO Council Subcommittee on Architecture and Infrastructure, and Kathleen Turco, CFO of GSA. The working group that prepared the document included representatives from 17 federal agencies. The document provides the vision and an illustration of the financial management environment that financial management systems of the future must be capable of supporting. It presents financial management as an integrated financial infrastructure operating efficiently on common data to achieve financial control and support improved performance. The document acknowledges that financial systems planning can no longer take place in "stovepipes;" it must be integrated with enterprise-wide goals. The document also reflects collaboration among the central financial management agencies to present an enterprise-wide view that describes agency-central agency interrelationships.



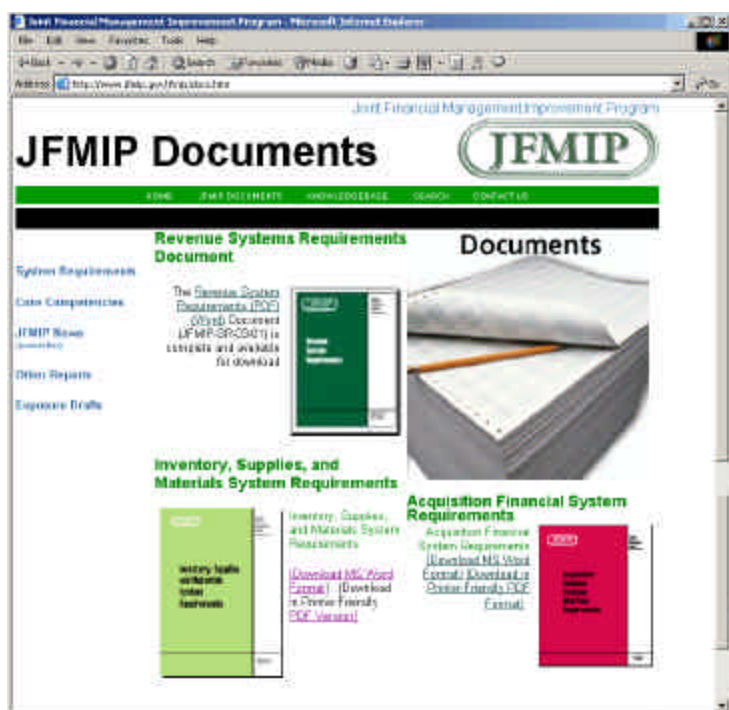
REVENUE SYSTEM REQUIREMENTS

JFMIP published the *Revenue System Requirements* document in FY 2003. The publication capped a 9-month effort, led by Jo Ellen Cohen, Deputy CFO of the U. S. Customs Service, and involving more than 20 senior-level revenue and financial professionals from across the federal government. The document, available on the JFMIP web site, describes the 22 major functions of federal revenue systems and the data processed by those functions necessary to support non-income tax revenue management processes for federal agencies.



INVENTORY, SUPPLIES AND MATERIALS SYSTEM REQUIREMENTS

JFMIP also published the *Inventory, Supplies and Materials System Requirements* document in FY 2003 and it is available on the JFMIP web site. The JFMIP-sponsored team, led by Robin Quinlan, Department of Defense (Office of the Under Secretary of Defense, Acquisition, Technology and Logistics), included logistics and financial professionals from 12 federal agencies. The document, which updates and expands an earlier publication, lists the common financial information requirements necessary to support the logistics management processes that result from government-wide statutory and regulatory requirements associated with the functional interfaces among finance and inventory, supplies, and materials systems. The scope of this document covers inventory held for sale, operating supplies and materials, and stockpile materials. It also addresses recent changes in laws, regulations, and policies that affect inventory programs, and it requires the use of Unique Item Identifiers. The issuance of this document demonstrated the commitment of the federal logistics and financial communities to work together to improve systems.



PROPERTY MANAGEMENT SYSTEM REQUIREMENTS

During FY 2003, JFMIP established a government-wide project team, led by the Department of Defense, to update an outdated document—*Property Management System Requirements*. The new document is to reflect changes in generally accepted accounting principles promulgated by the Federal Accounting Standards Advisory Board. Two Statements of Federal Financial Accounting Standards issued in 2003 eliminated the category of National Defense Property, Plant, and Equipment; amended Stewardship reporting; and eliminated the Current Services Assessment. The updated document will be completed during FY 2004.



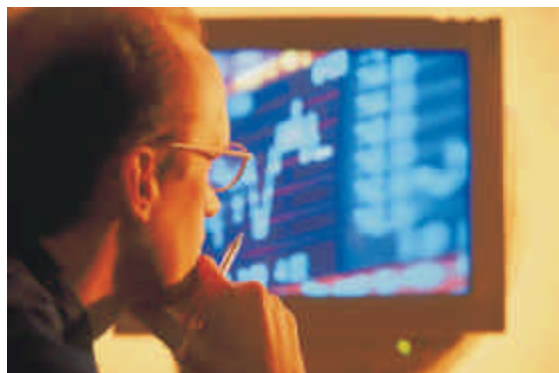
FEDERAL FINANCIAL MANAGEMENT HUMAN CAPITAL

JFMIP partnered with the CFO Council Human Capital Committee to improve the federal financial management workforce by sponsoring educational and outreach activities. JFMIP also completed a study on the future financial management workforce.

FEDERAL FINANCIAL MANAGEMENT WORK FORCE OF THE FUTURE

In September 2003, JFMIP issued a report that addressed the federal financial management work force of the future. It provided a strategic management framework for focusing financial management human capital development efforts. One of the major findings in the report was that the demands of the federal financial management work force are changing. While the work force supports the business needs of today, it is poorly positioned to support the needs of tomorrow. The future requires a smaller work force with a broader, multi-skilled analytic capacity. This outcome will not be achieved without strategic management intervention. The report's recommendations include provide consistent CFO leadership and vision to identify and communicate goals and necessary competencies to achieve them; adopt a broader financial management career concept; adopt comprehensive recruiting and development strategies focused on critical competency gaps; and work with the human capital professional community to adopt performance-based retention, compensation, and promotion systems.

GOAL: Improve the financial management workforce by promoting financial management human capital development.



DEVELOPMENTAL ASSIGNMENTS

In FY 2003, JFMIP hosted ten participants from the Executive Leadership Program for Mid-Level Employees and the Executive Potential Program. Their involvement in JFMIP activities provided an outstanding opportunity to broaden their knowledge of federal financial management. In addition, two senior system accountants were detailed to JFMIP from the Department of Defense and the National Aeronautics and Space Administration.

DEVELOPMENTAL ASSIGNMENTS AT JFMIP DURING 2003

EXECUTIVE LEADERSHIP PROGRAM

Kay Fenhagen	Department of the Navy
Linda Hiatt	Nuclear Waste Technical Review Board
Heather Keister	Navy Audit Service
Robert Shields	Environmental Protection Agency
Louis Vaughns	Department of Agriculture
Tamara West	Office of Personnel Management

EXECUTIVE POTENTIAL PROGRAM

Christian Obineme	Department of Agriculture
Sandra Williams	Environmental Protection Agency
Kelvin Coleman	Federal Aviation Administration
Harry Jacobs	Department of Energy

OTHER

Chuck Calhoun	National Aeronautics and Space Administration
Elvon Lloyd	Department of Defense



INFORMATION SHARING AND OUTREACH

Communication among the federal financial community, private-sector partners, and other stakeholders is critical to improving federal financial management.

JFMIP ACTIVITIES

JFMIP information sharing and outreach efforts during FY 2003 included participating in committees, councils, and professional associations that affect federal financial management; disseminating information through the *JFMIP News*, JFMIP white papers, and special forums; and participating and leading financial conferences, seminars, and work groups.

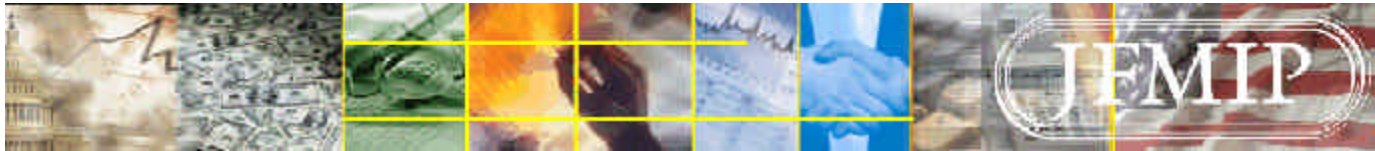
JFMIP used its web site (www.jfmip.gov) to deliver new JFMIP products and information to stakeholders. As part of the web site, the JFMIP Knowledgebase provided the primary venue for distributing core financial system testing and qualification process, results, and related materials. JFMIP's website was accessed more than 100,000 times in FY 2003.

GOAL: Enable effective communication of important financial management information among agencies and shareholders through effective information and outreach activities.



The *JFMIP News*, published quarterly and distributed electronically, shared information on current financial management developments, activities and practices, and profiles on financial leaders.

Maintaining a contact network among stakeholders is a key goal of JFMIP. Another goal is to transition to electronic distribution of JFMIP products and information. To better support both goals, JFMIP worked with federal agencies during FY 2003 to establish an internet-based *Federal Financial Managers* database accessible through JFMIP's web site.



32ND ANNUAL JFMIP CONFERENCE



JFMIP PRINCIPALS WITH SCANTLEBURY AWARD RECIPIENTS:
(FROM L TO R) OMB DIRECTOR MITCHELL DANIELS, NY STATE BUDGET DIRECTOR CAROLE STONE, SSA DEPUTY COMMISSIONER AND CFO DALE SOPPER, AND COMPTROLLER GENERAL DAVID WALKER AT THE CEREMONY.

In FY 2003, more than 950 senior financial management officials attended the 32nd Annual JFMIP Conference. The theme of this conference was "The President's Management Agenda—Transforming Federal Management." Two of the JFMIP Principals, Comptroller General David Walker, Office of Management and Budget Director Mitchell Daniels, gave keynote addresses. The five government-wide initiatives of the President's Management Agenda—strategic management of human capital, improving financial performance—competitive sourcing, e-government, and integration of budget and performance, were highlighted during the conference. The conference provided 7 hours of continuing professional education credits to all attendees. The results of the conference were summarized in the Spring 2003 JFMIP News.

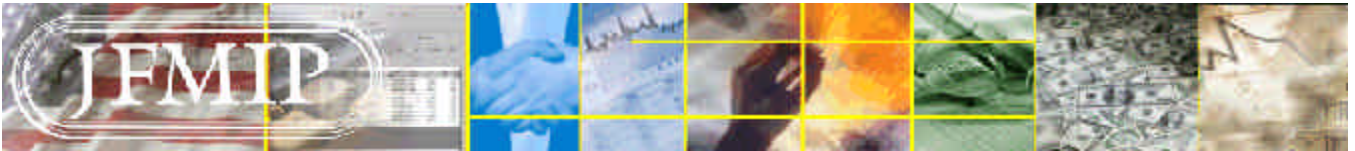
Another highlight of the conference was the presentation of the *Donald L. Scantlebury Memorial Awards* for distinguished leadership in financial

management improvement in the public sector. These awards commemorate Don Scantlebury, a dynamic leader whose ideas and actions brought significant advances to financial management. This year's recipients were Dale W. Sopper, Deputy Commissioner for Finance, Assessment and Management, U.S. Social Security Administration; and Carole E. Stone, Budget Director, State of New York.

DIRECTED STUDIES/ PROJECTS

JFMIP periodically provides leadership for financial management initiatives through studies and projects. These studies and projects are generally directed by OMB, the CFO Council, or JFMIP Steering Committee, and are deemed to be of a high level of importance and visibility.

GOAL: Address high visibility government-wide financial management issues or obstacles through leading directed studies or projects.



INTRA-GOVERNMENTAL TRANSACTIONS

In FY 2003, one of JFMIP's staff members led the Intra-governmental Transactions Project sponsored by OMB. This project is one of OMB's two key efforts to improve federal financial management and address the inability of the federal government to properly account for billions of dollars in intra-governmental transactions. The key accomplishments of this project during 2003 included the

- implementation of business rules issued by OMB on October 4, 2003, as M-03-01;
- deployment of a centralized registration database containing key business information for federal trading partners; and
- design and testing of an initial operating capability, known as the Intra-Governmental Transactions Portal (IGTP), for the electronic exchange of intra-governmental transaction data for deployment as a production pilot on October 1, 2003.

During FY 2004, the project will focus on enhancing the IGTP's initial operating capability and transitioning the production pilot to full government-wide implementation.

GOAL: Conduct Special Studies and Projects

Support Intra-governmental Transactions Project

Conducted Forum on Federal financial systems

FORUM ON FEDERAL FINANCIAL SYSTEMS

In June 2003, JFMIP, in partnership with the Private Sector Council (PSC) and the Systems and E-Government Committee of the CFO Council, hosted an executive forum that brought together senior financial managers from government and the private sector to address the critical success factors in implementing COTS financial management systems. The forum's objective was to engage senior federal financial managers and private-sector leaders in a dialog about the obstacles and management imperatives leading to more successful implementations.

The highlights from the forum included:

- Leaders need greater awareness that implementing new systems is more about management than technology.
- Government should rationalize, standardize, and communicate its requirements for financial management systems in order to move the market.
- The competencies of project managers are critical for success and must be better defined and developed.
- Testing should be expanded, improved, and address scalability.
- Government should examine what is the right model for measuring success—whether by the processes followed or the outcomes measured.



GOAL: Improve financial systems implementation success - Conduct testing to ensure that federal financial management requirements and vendor software offerings are aligned.

PROGRAM MANAGEMENT OFFICE - SOFTWARE QUALIFICATION TESTING

A goal of the PMO is to manage a test and qualification process that ensures a vendor's software offerings are capable of satisfying JFMIP core financial system requirements. This testing is conducted by the PMO under the direction of the JFMIP Executive Director, using funds provided by CFO Council agencies.

During FY 2003, the PMO updated, expanded, and improved its test and qualification process to support core requirements. It also finalized the current test materials, first published on the JFMIP website in September 2002, to target known deficiencies in COTS software, as reported by agencies.

Another major accomplishment was the certification of software products as meeting the core requirements. As of September 2003, the software products of four commercial vendors were certified as complying with the *Core Financial System Requirements* published in November 2001. (The vendors and their certified software products are shown opposite.) These certificates are valid for a 3-year period from the date they were issued; all of them are scheduled to expire during FY 2006. Two other software products were being tested at the end of the FY 2003.

A third major accomplishment of the PMO in FY 2003 was the publication of information about the software products that were issued certificates of compliance. That information included modules, third-party software, source of reports, and other software characteristics. The PMO published this information on the JFMIP Knowledgebase to help agencies select the software products that best fit their needs.



QUALIFIED VENDOR SOFTWARE PACKAGES— SEPTEMBER 30, 2003

**American Management Systems,
Momentum, Version 5.0**

**Digital Systems Group, IFMIS,
Version 6.0**

**Oracle, Oracle E-Business Suite 11i,
Version 11i.9**

**SAP, mySAP ERP Version 4.7 With
Enterprise Add-on for Public Sector
and Extension Set**

QUALIFIED SOFTWARE LIST

Since the PMO was given testing responsibility in 1999, it has rigorously defined the core requirements and made the testing more comprehensive to ensure that software better supports government needs. Concurrently, the number of core financial management software products was reduced from the 11 on the then mandatory GSA schedule to the current 4, with the potential of 6 products after this round of testing is completed.

One of the values of the certification process is that private-sector vendors now have one comprehensive source for information about federal core financial system requirements. In addition, the PMO has partnered

with Treasury organizations to provide vendors with test facilities so they can demonstrate that their products meet Treasury's processing requirements. Vendors that cannot produce products that meet mandatory federal core requirements are not allowed into the federal market, giving an advantage to those vendors with software products that meet federal core requirements.

Although centralized certification leverages the federal community's ability to ensure that software offerings remain up to date with changing federal requirements, it does not assess the suitability of a financial application for all potential operating environments and the application's computing performance (e.g., user capacity, response time, and transaction throughput). As a consequence, agencies should consider the certification process as simply the entry criteria for federal use. Agencies must still perform due diligence in evaluating the best fit

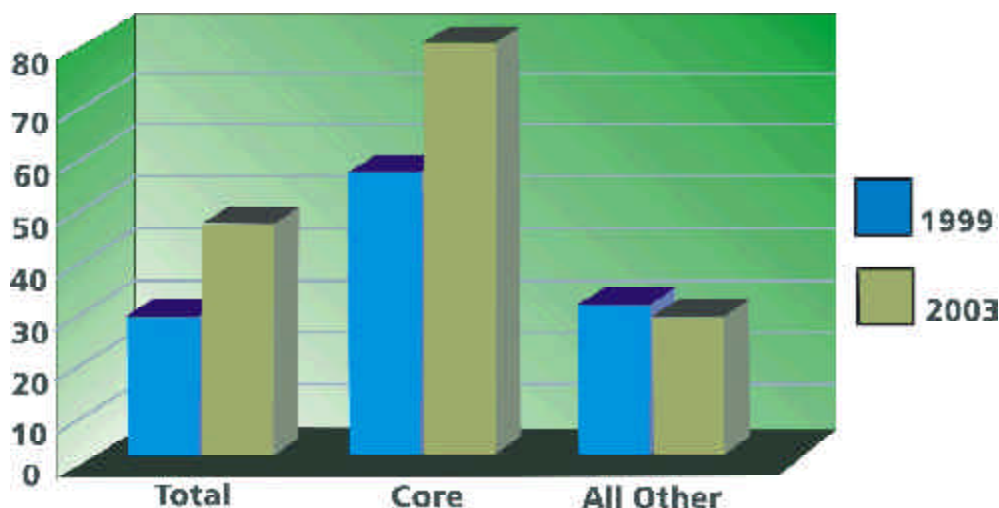
The testing and qualification process has significantly benefited federal agencies by reducing the need to customize source code in order for systems to support mandatory requirements.



PROGRAM MANAGEMENT OFFICE (CONT)

among potential products to their specific needs and in performing acceptance testing in their operating environments. One of the outcomes of a strong centralized testing protocol is the availability and use of core financial system COTS by federal agencies without having to modify source code. A comparison of 1999 and 2003 data for civilian agencies¹ is instructive. As illustrated in the following figure, only two of the eight core financial systems in development at civilian agencies (25 percent) in 1999 used pure COTS. Four years later, 10 of the 13 systems in development (77 percent) used all COTS software. This change occurred only in core financial system software, primarily because of the work of the PMO. Now, the government can state its requirements and have the vendors update their offerings once, instead of each agency paying for separate development efforts, as was the practice prior to 1999.

PERCENTAGE OF CIVILIAN AGENCY FEDERAL FINANCIAL MANAGEMENT SYSTEMS IN DEVELOPMENT THAT RELY ON "PURE" COTS, 1999 AND 2003



Source: OMB. Financial Management Systems Inventory.
40 financial management systems were in development in 1999 and in 2003.
8 were Core in 1999. 13 were Core in 2003

(Footnotes)

¹ Source: Office of Management and Budget, Financial Management System Inventory, 2003.



FUTURE: 2004 AND BEYOND

The JFMIP agenda in FY 2004 will continue to be driven by the active engagement of the JFMIP Principals and the pressing government-wide needs facing the financial community. As in the past, the primary areas of focus will be:

- Financial systems requirements
- Software qualification testing
- Human capital development
- Information sharing and outreach
- Directed studies and projects.



Building on the tremendous progress since 1998, JFMIP will continue to develop and update the system requirements documents. In FY 2004, we expect to finalize three documents: *Framework for Federal Financial Management Systems*, *Property Management System*, and *Insurance System Requirements*. In the future, we will begin developing *Budget Formulation System Requirements* when key stakeholders are available to lead the associated projects. The publication of that document will complete the development of all system requirements in the agency system architecture.

In 2004, PMO resources will continue to be directed to the testing and qualification process. We will focus on two test areas: 1) the development and execution of an incremental test of software products that hold certificates, with an emphasis on new requirements such as the Central Contractor Registration; and 2) the start of a project to review and update the *Core Financial System Requirements* document, last issued in November, 2001.

JFMIP will continue to pursue its human capital mission to provide developmental assignments in the area of financial management through the Executive Leadership Program for Mid-Level Employees and the Executive Potential Program.

JFMIP also will continue supporting a wide range of information sharing and outreach activities, including the *JFMIP News*, the 33rd Annual JFMIP Conference, forums, and other educational activities. It will continue to maintain the Knowledgebase as a cornerstone of an effective information and outreach effort to the financial community, and to support OMB as directed to help implement Intra-governmental transaction initiatives.

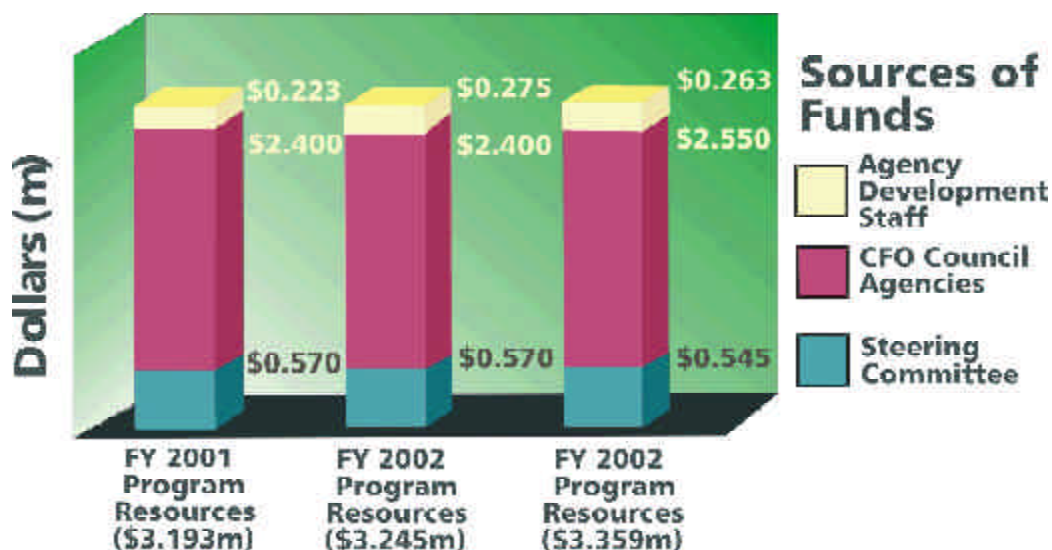


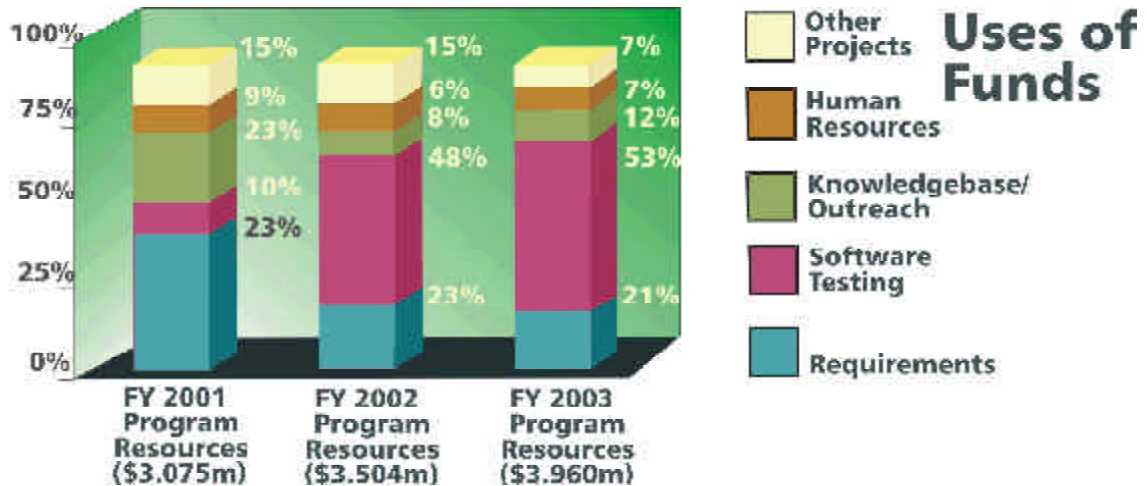
FINANCIAL HIGHLIGHTS

Although JFMIP does not maintain our own financial management system or receive a direct appropriation, we carefully monitor the flow of resources that are entrusted to us. GSA provides JFMIP with administrative support services. The funds shown in this report were based upon unaudited budgetary flows. Since these funds were part of GSA's Working Capital Fund, they would be included in the audited financial report of GSA. The primary differences between sources and uses of funds between FY 2001 and FY 2003 resulted from the programming and obligating of funds in one year and performing the work in another.

SOURCES OF FUNDS

Funding for JFMIP activities is provided through a memorandum of agreement among the four Principals and designated program agency. The agreement for FY 2003 provided \$545K in funding. Resources for the activities of the PMO are funded by contributions from the 24 major agencies and departments that are frequently referred to as the CFO Act agencies. These agencies contributed \$2,550K for FY 2003 activities. JFMIP also receives "unfunded" resources from sponsoring agencies for developmental opportunities provided. These resources totaled \$264K in FY 2003. The time and effort expended by agency representatives who participated in various projects represent additional unfunded resources for JFMIP activities. Resource inflows and outflows associated with these efforts are not included in our financial data.





USES OF FUNDS

Total costs incurred for JFMIP activities in FY 2003 were \$3,960K. The distribution of these costs over the broad areas of interest—requirements, human resources, directed studies, and software testing and outreach—is based upon management’s assessment of input from project managers and the use of a reasonable method for allocation. General administrative costs have been distributed across these primary mission activities. Costs associated with the efforts from developmental details were based upon comparable contractor rates. The primary differences between the sources of funds levels and uses of funds levels in FY 2002 are the result of obligating the funds in one year and performing the work utilizing the funds in the next year.

The cost for developing and publishing requirements documents was \$841K, approximately 21 percent of total costs. This cost includes the salaries and expenses for contractors and personnel assigned to JFMIP as well as the cost for publishing and distributing the documents. The cost for software testing was \$2,106K, approximately 53 percent of total cost; it includes the cost incurred for the administration of the individual software qualification and incremental tests. The cost for Knowledgebase and outreach activities was \$478K, or approximately 12 percent of the JFMIP total. The activities included in this category are the maintenance of the JFMIP website and Knowledgebase, issuance of the JFMIP newsletters and annual report, and the hosting of our annual conference. The cost for human resources was \$262K, nearly 7 percent of the total. It included support for the Workforce Forum and for developmental assignments. The cost for directed studies and projects was \$294K, approximately 7 percent of the total; much of those funds covered the cost of the Intra-Governmental Transactions Project.



APPENDIX A

ACCOMPLISHMENTS: FY 2003

JFMIP

Financial Systems Requirements

- ◆ Published Revenue System Requirements
- ◆ Updated the Framework for Federal Financial Management Systems
- ◆ Issued Inventory, Supplies and Materials System Requirements
- ◆ Established a project to update the Property Management System Requirements

Federal Financial Human Resources

- ◆ Hosted ten Developmental Program participants
- ◆ Issued a report on the Financial Management Workforce of the Future
- ◆ Conducted Federal Financial Systems Workforce Forum

Information Sharing and Outreach

- ◆ Published four quarterly JFMIP newsletters
- ◆ Maintained the JFMIP web site and the Knowledgebase as a community resource
- ◆ Conducted the 32nd Annual JFMIP Conference
- ◆ Presented the Donald L. Scantlebury Leadership Awards
- ◆ Continued implementation of the on-line Financial Managers Directory database
- ◆ Published the JFMIP White Paper: Financial Systems Data Conversion Considerations

Directed Special Studies/Projects

- ◆ Intra-governmental Transactions Project support
- ◆ Conducted the JFMIP Forum: Implementation Success Factors Using COTS Financial Systems

PMO - SOFTWARE QUALIFICATION TESTING

- ◆ Conducted the Core Financial System Software Qualification Testing Program
- ◆ Updated the Qualified Software List and Supplemental Information



APPENDIX B

PLANNED ACTIVITIES: FY 2004

JFMIP

Financial Systems Requirements

- ◆ Publish the *Framework for Federal Financial Management Systems*
- ◆ Develop a strategy for an Integrated Financial System Requirements database
- ◆ Update the Core Financial System Requirements
- ◆ Update the Property Management System Requirements
- ◆ Develop the Insurance System Requirements

Special Studies/Projects

- ◆ Support the OMB Intra-governmental transaction portal initiative

Human Capital Development

- ◆ Host EPP and ELP developmental program participants

Information Sharing and Outreach

- ◆ Conduct the 33rd Annual JFMIP Annual Conference and Scantlebury Awards
- ◆ Maintain the JFMIP web site and the Knowledgebase
- ◆ Conduct a JFMIP Forum with Qualification Test Program Stakeholders on test improvements
- ◆ Update the Federal Financial Managers Directory Database
- ◆ Publish the JFMIP Newsletter electronically on a quarterly bases

PMO - SOFTWARE QUALIFICATION TESTING

- ◆ Conduct the Software Qualification Testing Program
- ◆ Complete 2003 Qualification Testing
- ◆ Deploy the JFMIP Computer Assisted Test Tool (JCATT)
- ◆ Conduct incremental Testing for CCR and Intra-governmental Transactions



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